

# Good reasons to buy an Existing Business

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There are several advantages to buying an existing business as opposed to starting your own. Most obviously, you save time. Suppose you want to start a retail business. It may take months for you to build an adequate inventory. Opening your own restaurant means creating your own recipes and menus; building a manufacturing business from scratch can take years. But when you purchase an existing business, the “dirty work” has already been done.



If the business you want to buy offers a product or a service, you can evaluate the operating history and better understand the demonstrated market. Are people buying the product or service? What are they willing to pay? What type of advertising has been most effective? When you start your own business, it can take many years of trial and error to establish your market. [Purchasing a business](#) can alleviate this process.



Buying an existing business will allow you to evaluate its cash flow and operating expenses, giving you a better idea of how much investment capital you will need. When you start your own business, these numbers are much more difficult to estimate, and investors consider start-up businesses higher risk than existing ones with operating histories and proven track-records.



Perhaps the biggest advantage to buying over starting a business is the existing business's potential. You may see growth opportunities the current owner doesn't, or maybe you have a superior business plan. Your enthusiasm and excitement for the business can revive it and help it to grow, and often relatively minor changes in advertising, personnel, or procedure can greatly improve profitability.



Always consult a [Business Broker](#) who is a specialist in the industry that you are looking to invest in.

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